

# **DRAFT STATEMENT OF REASONS IN SUPPORT OF CHANGE IN LAND USE OF THE AREA KNOWN AS BALTIMORE RAVINE AND FINDINGS BASED THEREIN**

Submitted by  
The City of Auburn

Pursuant to Section 2762 of the California Public Resources Code

## **Introduction**

The City of Auburn is the lead agency for review of the proposed Baltimore Ravine Specific Plan and Study Areas project (Project). The location of the project is shown on Exhibit 1. Portions of the project site have been classified by the State Geologist as MRZ-2b, “an area underlain by inferred mineral resources where geologic information indicated that significant inferred resources are present”. [Source: Open-File Report, page 83-37]. The project site does contain remnants of historic gold mining operations.

The Project proposes land uses that include high density residential, low density residential with high unit value and commercial, which are identified as land uses that are incompatible with mining in Title 14, California Code of Regulations, Section 3675. Therefore, pursuant to California Public Resources Code Section 2762(d), the City of Auburn, as lead agency, must prepare and submit this Statement of Reasons prior to permitting the Project.

Although the State Geologist has concluded that significant inferred gold resources are believed to exist in the Ophir district<sup>1</sup>, the district has not been designated by the Mining and Geology Board as an Area of Regional or Statewide Significance pursuant to Public Resources Code Section 2790 et seq. Because Public Resources Code Section 2763 is not applicable to the Project, it is not discussed in this document.

The City has concluded that the project site should be developed even though it has been classified as MRZ-2b for the following reasons:

### **1. Mining is Incompatible with Adjacent Land Uses**

As shown on Exhibit 2 [Figure 5.5-4 of the ADEIR], the MRZ-2b zone extends south of Interstate 80 over a portion of south Auburn, including the majority of the Project site, and is adjacent to unincorporated Placer County. The eastern and southeastern edges of the MRZ-2b zone include areas within Auburn that already have been developed with low-density residential uses. Rural residential development is located in the western portion of the MRZ-2b zone. Land uses immediately east and south of the zone have extensively developed. Because mining activities would be incompatible with these developed areas due to noise, dust, traffic and other nuisances, the project site should be developed for non-mining uses.

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<sup>1</sup> Department of Conservation, Division of Mines and Geology, DMG Open-File Report 95-10, Mineral Land Classification of Placer County, 1995, page 26.

## **2. The Mineral Resource within the Project Site is not Economically Important**

The Project site's economic value as a mineral resource is limited. The existing mining facilities have not been in use since the early to mid 1900s and are in disrepair, nor have there been any known attempts to revive mining on the Project site since. . The Auburn area contains a number of historic mines, as does greater Placer County, reflecting the region's once-active gold mining industry. However, mining no longer makes up a substantial portion of industrial activity in the county. For example, in 2004, Natural Resources and Mining composed approximately 0.1 percent of industrial activity in Placer County.<sup>2</sup> Because the likelihood of use of the property for mining purposes is so low, and because mining activity is not significant in the region, the loss of the resources present on the project site would not have an adverse economic effect on the County, the City or the region.

## **3. The Project Site is the Only Large Contiguous Area Available to Accommodate Growth in the City**

The project site is the only large contiguous area available to accommodate growth in the City. The remainder of the City is largely built out. The project site has been recognized as a potential area for development for several decades. The project site is located in an area of the city designated by both the 1978 and the 1993 General Plans as Urban Reserve. The Urban Reserve designation recognizes that the area will eventually be developed, but requires a Specific Plan prior to development beyond the existing zoning. The development of the Specific Plan would provide up to 725 units, which would serve a substantial portion of the Citywide demand anticipated to occur over the next 20 years. Further, development of the Baltimore Ravine Specific Plan area would assist the City in meeting its affordable housing goals. The Specific Plan was identified in the City's 2008 Housing Element as a means to achieve its housing affordability goals.

## **4. Commercial Mining at the Project Site is not Economically Feasible**

There is no indication that mining would occur on the project site if it were to remain undeveloped. The City has not received an application to conduct any mining activities since the land has been within the City boundaries, even when gold prices rose. The City is unaware of anyone who has expressed interest in mining the site. Given the costs of mining, the surrounding land uses, and the likely value of the remaining gold reserves, it is unlikely that commercial mining activity would occur on the project site.

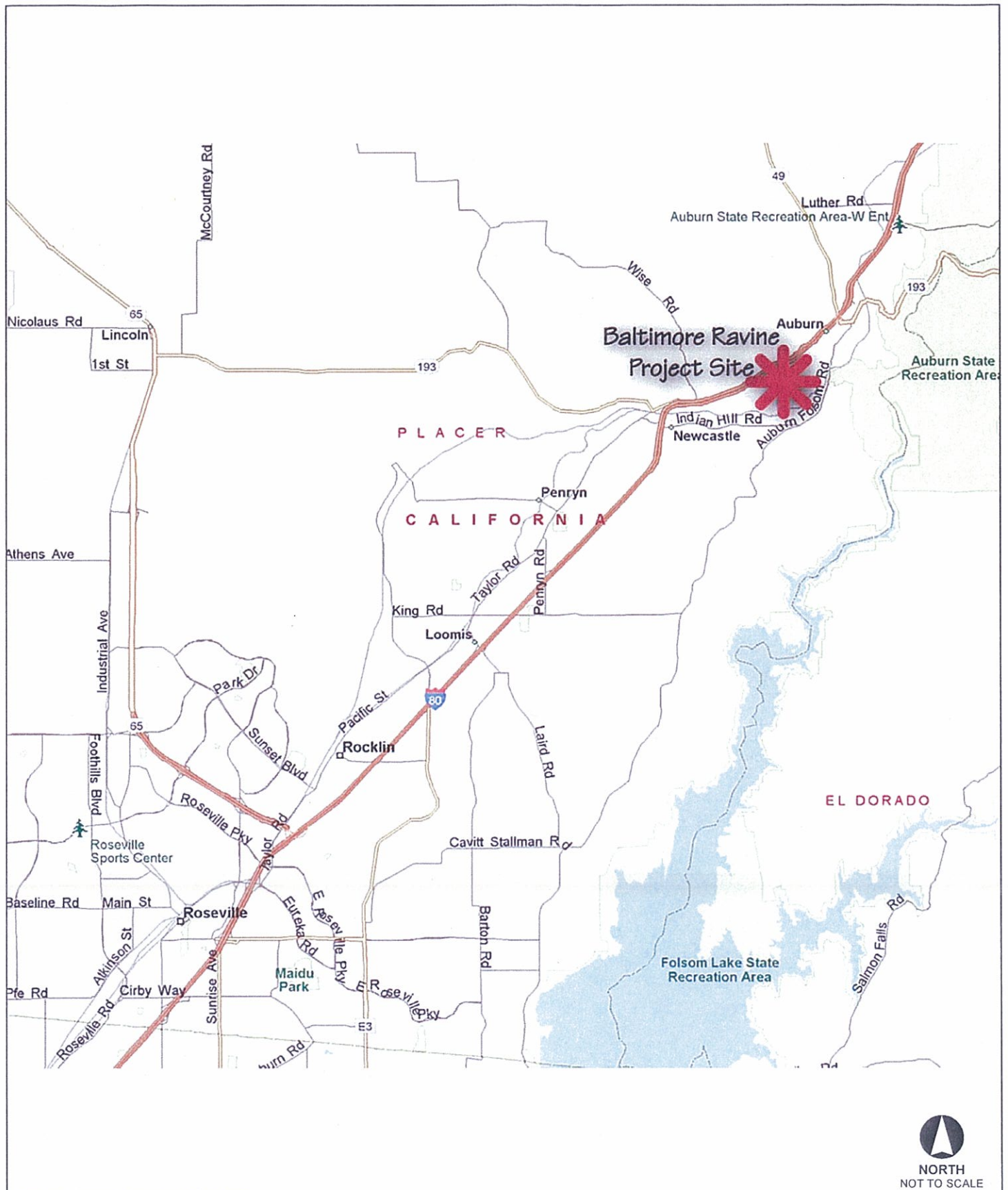
The project applicant considered extracting the remaining gold on the Project site prior to or instead of developing the property with residential and commercial uses. However, according to the applicant's geotechnical engineers, (see Exhibit 3, October 21, 2009, letter from Engeo, Inc.) it would not be commercially or economically viable to do so, because of the location of the site among residential areas, the need for deep shafts and

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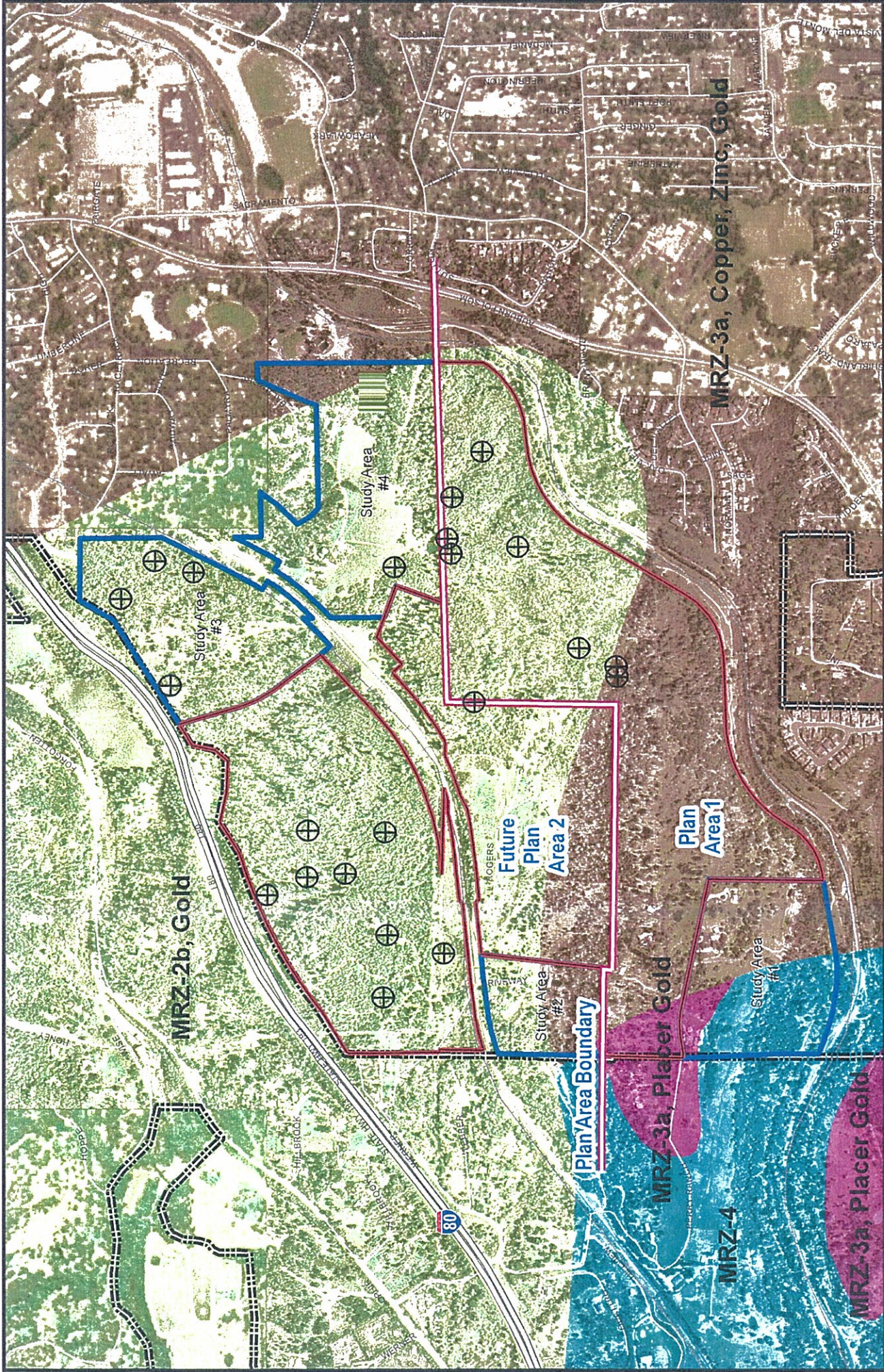
<sup>2</sup> Sacramento Regional Research Institute, *Placer County Industry Structure Study*, March 2006, Figure 1.

off-hauling of secondary materials in order to obtain gold ores, and the difficulties of obtaining state and federal permits.

The potential loss of any valuable mineral resources could be partially mitigated given that the Project applicant may extract the trace amounts of gold that are present in the soils that are excavated during grading and excavation needed for project development, if such extraction is economically feasible. The extraction would be a secondary activity.







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**Figure 5.5-4**  
**Mineral Resource Zones and Historic Mines**

Prepared By: PBS/J/22755  
Job No.: 05137900  
Scale 1:11,880  
Date: 10-01-2009  
File: Figure5 5-4.mxd

**MRZ-2b, Gold**

**MRZ-3a, Placer Gold**

**MRZ-3a, Copper, Zinc, Gold**

**MRZ-4**

**Study Area #1**

**Study Area #2**

**Study Area #3**

**Study Area #4**

**Plan Area 1**

**Plan Area 2**

**Future Plan Area**

**Plan Area Boundary**

**BRSP Boundary**

**Study Area**

**Auburn City Limit**

**Local Road**

**Interstate 80**

**Rail Road**

**Historic Mines**

**MRZ-3a, Copper, Zinc, Gold**

**MRZ-3a, Placer Gold**

**MRZ-2b, Gold**

**MRZ-4**

**Feet**

0 500 1,000 2,000

**Composite Mineral Land Classification Map - Proposed**

1040\_1983\_StatePlane\_California\_II\_FPS\_4002 Foot

Projection: Lambert Conformal Conic

Linear Unit: Foot\_US

GCS: North American 1983

Datum: D North American 1983

Source:

Mineral Land Classification of the Auburn 15' Quadrangle, El Dorado and Placer Counties, California 1984

DMG Open-File Report 83-37

Department of Conservation

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Project No.  
**7982.500.201**

October 21, 2009

Mr. Stephen Des Jardins  
Diamond Creek Partners, LTD  
130 Diamond Creek Place, Suite 1  
Roseville, CA 95747

Subject: Baltimore Ravine Project  
Auburn, California

**FEASIBILITY OF COMMERCIAL GOLD MINING**

Dear Mr. Des Jardins:

At your request, we reviewed the Mineral Land Classification of Placer County, DMG Open-File Report 95-10, prepared by the Department of Conservation, Division of Mines and Geology, dated 1995, pertaining to the Baltimore Ravine site in Auburn, California. As you know, we performed preliminary geotechnical exploration at the site last year and provided feasibility recommendations regarding use of the site for development.


According to the Mineral Land Classification report, the site was classified in 1995 as Mineral Resource Zone MRZ-2b and MRZ-3a, indicating areas underlain by mineral deposits where geologic information indicates that significant inferred resources are present and areas containing known mineral occurrences of undetermined mineral resource significance, respectively.

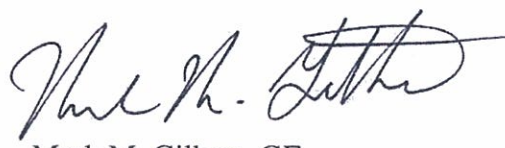
With regards to the feasibility of commercial gold mining at the site, the referenced Mineral Land Classification report indicates these geologic formations have potential for gold deposits. However, the location of the site among residential areas would greatly restrict the commercial feasibility of such a venture. We anticipate that any practical gold mining at the site would require deep shafts and generate substantial off-haul of secondary materials. The economics of designing, permitting and constructing an industrial facility for such purpose would be very difficult under the current Federal and State regulations. In addition, recent State regulations capping greenhouse gas emissions would further hinder feasible economic mining at the site. As such, it is our opinion that commercial gold mining at the site would not be an economical venture.

We would be glad to discuss the site conditions at any time. Feel free to contact us if you have any questions or need any further information.

Sincerely,

ENGEO Incorporated

  
Michael Turner, CEG  
Project Geologist

  
Mark M. Gilbert, GE  
Principal